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**To:** Microsoft ATR  
**Date:** 1/8/02 9:25am  
**Subject:** Conflict of Interest

I don't think you are stupid. On the contrary, but I am still going to try to step through this logically and hopefully not confusingly or insultingly, although I do take a cynical and plodding tone from time to time, please don't take it personally. Thanks.

First, a short quote from Steve Ballmer.

From <<http://www.zdnet.com/zdnn/stories/news/0,4586,5100151,00.html?chkpt=zdnnp1tp01>>:

"We went and said, 'Hey, we have some ideas for an all-purpose box, kind of a PC, kind of a video game machine, kind of a set-top box.' You know what they said? They said, 'Get outta Dodge, we're not going to write software for that thing,'" Ballmer said.

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I believe I know one of the most significant reasons as to why they said that to Mr. Ballmer's face.

#### CONFLICT OF INTEREST.

Microsoft already writes the operating system. AND they also have grown increasingly in control of many software application markets: word processors, spread sheets, presentation applications, databases, web browsers, and continue to threaten the availability, and usability of many "3rd party" software applications.

Microsoft's control would be nearly total. Third party vendors can write software to Microsoft's X Box API and if they do a good job they can even re-sell some of the code they've written for their own games to other companies to use. This is nothing new I believe.

But the problem is when Microsoft takes other people's code and includes it in their system. I don't remember how many years ago it was, but MS did incorporate software for disk compression in their operating system, disk compression software that wasn't theirs. They lost in court, had to pay damages I believe, and had to recall many copies of MS DOS 6 something--I think it was during that version of MS DOS.

Apple also took them to court for stealing parts of QuickTime. Fortunately for Apple, unlike the disk compression incident, the pirated QuickTime code was only in beta copies of the Microsoft software; Microsoft was distributing it, but only to individuals/organizations writing code (or otherwise joined to them as a developer) for Microsoft's operating systems.

There are three main layers you can think of when dealing with a computer. Even four, but the fourth is created by you.

#### 1. Hardware.

Akin to the engine, it's the physical part.

#### 2. Operating System.

Provides basic (and advanced ;- ) functionality to the applications (windows, menus, buttons, etc...), provides a means to control the hardware (volume, monitor brightness/contrast),

#### 3. Applications.

You run these to create and manipulate data.

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#### 4. Data you create and/or push around.

Since Microsoft has so many operating systems it seems perfectly logical to divide them up in to two companies to divide their conflict of interest: a system software company, and an application vendor. They also have hardware offerings, but I know very little about it. So I don't know what to do with their hardware offerings at this point, to have them go to the OS company or the application company, or have them be their own company if they want.

Oh, I left out the part where they also want to own the cable companies that install, and tend the wires to the house from the distribution points. Hmm...I think they already do own a number.

And I also shouldn't leave out the part about how they own a broadcasting company it seems, MSNBC. Do I really think I'm going to see objective and continuously fair news items, TV shows, etc... on a station that's owned by Microsoft? No. The content will be influenced. (On a side note I don't believe media outlets should be owned by product vendors.)

So let's see, they already own a broadcasting company, they own some cable companies that bring it to your door, they attempted to make a box the cable will connect to, and they write the operating system for the box, and they also write games for the box.

I think even their developers recognized a bad thing when they saw it.

Here is the next paragraph of the article where Steve says the XBox is just the start.

"We came back a year later and we said OK, we're going to start by doing the world's greatest video game machine, and they said OK, let's talk," Ballmer said.

The last paragraph:

"We know we have to succeed, but there is a broader concept there that we will pursue at some point," Ballmer said. "You can say, is it the end of the road or is there a bigger play? And the answer is yeah, there's a bigger play we hope to get over time."

Proverbs 20:5, "The purposes of a man's heart are deep waters....."

(Disclaimer: Am I saying Apple should be immune to being "broken up"? No, at some point it could become necessary to divide Apple along the aforementioned logical parts (hardware, operating system, applications) but Apple is hardly an economic threat to the same number of companies that Microsoft is now.

I saw a commercial when I lived in Alabama. It was a commercial for Microsoft in general, not a product spot light, but just a "warm fuzzy" commercial touting their good deeds in education and such. However they, didn't show many, if any at all, computers running any of their operating systems. They showed Apple hardware and the Macintosh operating system. The advertisement even focused in on children using the computer and interacting with a panoramic photograph of a scene, using QuickTime. They were already caught once stealing actual lines of code from QuickTime and here they are confusing the audience in to believing the panorama was being viewed on a Microsoft operating system. The irony is that you \*can\* view a QuickTime panorama on Microsoft operating systems, but that's thanks to Apple writing that software, not

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thanks to Microsoft as the advertisement incorrectly displays.)

I believe my small business in Alabama where I tried to establish myself taking panoramic photographs was impacted negatively by Microsoft. Fortunately for me I now work for a company where I can take panoramic photographs. But I am upset at the thought of Microsoft using its monopoly in operating systems and applications to intimidate and influence hardware manufacturers to perpetuate Microsoft's operating system AND application monopolies. In other words Microsoft can influence hardware vendors not to include QuickTime on the hardware they ship. Apple is not going to go so low as to write software that intentionally crashes, slows down, or wreaks other havoc on the system (MS Word 6 ahem).

I guess I'm tired of ranting now. But I still continue to be amazed at the number of people who don't see that there is a huge conflict of interest in the places Microsoft has extended its reaches, and their self-avowed eagerness to pursue it even more.

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